

IDEA 0003
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5 NOV 1960

MEMORANDUM FOR: Deputy Director (Plans)
SUBJECT: Transmittal of IDEALIST Policy
Letters Nos. 6 and 12

Attached for your approval are proposed Operations Policy Letters 6 and 12. They have been revised to incorporate the changes suggested by the DCI.

STANLEY W. BEERLI
Colonel USAF
Acting Chief, DPD-DD/P

Attachments - 2
Operations Policy Letter 6
Operations Policy Letter 12

APPROVED:

(SEE IDEA-0026)
RICHARD M. BISSELL, JR.
Deputy Director
(Plans)

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DPD/OPS/INTEL [REDACTED] ph

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28 October 1960

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : Conversation with Mr. Clarence L. Johnson Regarding
Mr. Gordon Gray

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1. Kelly Johnson told me this morning that [REDACTED] who is the [REDACTED] here in Washington, had told him yesterday that a week or so ago he had been approached by Gordon Gray regarding reasons why Lockheed Aircraft Corporation was "not willing to act in a cover capacity for U-2 flights".

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2. Kelly said that Gray's query was specifically directed to the question of using an Agency U-2 in the Cuban situation but that the discussion also lapsed over into possibilities for using LAC cover in detachments overseas. [REDACTED] who is IDEALIST cleared since May 1, handled the matter rather well according to Kelly by simply stating that Lockheed had never shrunk from doing anything it could to confuse and confound the Russians, and he knew of no reason why the company would not be willing to use its name openly in a cover situation if this was for the ultimate benefit of the Government.

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3. Kelly added that [REDACTED] had agreed wholeheartedly to participating with the Government directly in any way that would be helpful, and as you are aware, LAC in fact did permit us to rely on their corporate structure as cover for the recent Cuban overflight. According to Kelly, Gray did not ask [REDACTED] if he was knowledgeable of the U-2 Project before launching into his discussion about cover, but there is no way of telling from this distance whether Gray knew that [REDACTED] was IDEALIST cleared.

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3 - 4. I thought you would like to know about this impromptu discussion, although I must confess I am not sure in what manner you may wish to proceed from here as that we do not have further problems of this sort.

SIGNED

JAMES A. CUNNINGHAM, JR.
Acting Chief, DPD-DD/P

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7 November 1960

ACTIVITY PROGRAM

IDEALIST DEVELOPMENT

1. PURPOSE:

For contractual arrangements during FY 1961 in connection with developmental and related flight test activities (mainly in-flight refueling and single side-band communications) in support of the IDEALIST program.

2. DESCRIPTION OF WORK OR SERVICES REQUIRED (firm):

- a. Firewal, Contract #ST-507, technical representative services in the pilot equipment and environment areas at Edwards Air Force Base until succeeded by a Firewal employee assigned to Detachment G: \$4,000, through October 1960.
- b. Lockheed, Contract #SP-1918, covering the services of maintenance personnel on an on-call basis and flight test support of a development nature, mainly in conjunction with in-flight refueling and single side-band communications equipment installation tests: \$100,000, through June 1961.
- c. Lockheed: modification of two U-2C aircraft for in-flight refueling and increased oxygen requirement: [REDACTED] 25X1A
- d. Lockheed: procurement of four sets of single side-band equipment and installation in four U-2 aircraft: \$80,000.
- e. Procurement of two sets of ground station single side-band equipment for U-2 base station operational use: \$60,000.
- f. Perkin-Elmer, Contract LW#473, consulting services pertaining to cameras: \$5,000, through June 1961.

3. POSSIBLE ADDITIONAL OR RELATED WORK OR SERVICES (Unfirm):

- a. Lockheed, #SP-1918, contingency funds budgeted and programmed for this contract in FY 1961, but uncommitted due to a reduction in requirements: \$97,000.

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- b. Lockheed: procurement of three sets of single side-band equipment and installation in three U-2 aircraft: \$60,600
- c. Pratt & Whitney: the development and procurement of engine modification kits for adding a pyrophoric high altitude restart capability to four J-75 engines: [REDACTED]

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4. TOTAL ESTIMATED COST:

- a. Paragraph 2, above, considered firm costs and firm requirements:
- b. Paragraph 3, above, possible additional related work or services but dependent upon the emergence of firm requirements :

Source of Funds:

The Development Projects Division FY 1961 budget contained the following amount allocated for IDEALIST Development :

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Comptroller, DPD

5. PERIOD OF PERFORMANCE:

- a. As indicated in paragraph 2, above.
- b. Re paragraph 2c, above, the first U-2C in-flight refueling modification will be completed in four months and the second U-2C in five months after the contractor receives approval to proceed.

6. REMARKS:

- a. Attached is a recapitulation of funding noted in paragraphs 2 and 3 above.
- b. Re paragraph 2c, above, the contractors estimate to modify a total of four U-2 aircraft for in-flight refueling and increased oxygen requirements is [REDACTED] In March 1960, the contractor, in a preliminary estimate, indicated that a total of six aircraft could be modified for a total of [REDACTED] including a high altitude restart capability, and this amount was used by DPD for planning purposes.
- c. Re paragraph 3c, above, the contractor states that a rather high development cost is the main reason for the unusually high cost

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[REDACTED] per engine or a total of [REDACTED] or four engine modification kits) for incorporating a pyrophoric high altitude restart capability in J-75 engines.

SIGNED

JOHN PARANGOSKY
Acting Chief, Development Branch
DPD-DD/P

CONCURRENCE:

STANLEY W. BEENLY
Colonel, USAF
Acting Chief, DPD-DD/P

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Work or Services, Paragraph 2 and 4a, above, totaling [REDACTED]

APPROVED: OR RECOMMENDED FOR APPROVAL:

DCI approval granted
in previous documents.
51 [REDACTED]

RICHARD M. BISSELL, JR.
Deputy Director (Plans)

ALLEN W. Dulles
Director

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7. CONDITIONS OF APPROVAL:

DC/DB/DPD-DD/P:JPARANGOSKY:mjw
7 November 1960

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Attachment #1
IDEA-0005

Recapitulation of IDEALIST

Development Funding

Paragraph 2 (Firm)

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- a. Firewel, ST-507
- b. Lockheed, SP-1918
- c. Lockheed, In-Flight Refueling Modifications
- d. Lockheed, Single Side-band Equipment and Installation
- e. Two ground station sets of single side-band equipment
- f. Perkin-Elmer, Consulting Services

Total



Paragraph 3 (Unfirm)

- a. Lockheed, SP-1918
- b. Lockheed, Single Side-band Equipment and Installation
- c. Pratt & Whitney, High Altitude Restart Engine Modifications

Total



SECRET